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Government Paperwork Burdens Have Increased Substantially under the Bush Administration

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EXECUTIVE SUMMARY

President Bush has made reducing the burdens of completing government paperwork a key item in his economic agenda. In speech after speech, he emphasizes that “we must reduce unnecessary government regulation and red tape so businesses can focus on consumers and customers, not paperwork.”

Contrary to the President’s rhetoric, however, total government paperwork has increased substantially under the Bush Administration to an estimated 8.1 billion hours in fiscal year 2003. Last year, Americans spent 700 million more hours filling out government paperwork than in the last year of the Clinton Administration. Averaged across every family in America, this is an increase of more than six hours of annual government paperwork per household under the Bush Administration. The largest annual increase in paperwork burden ever measured occurred under the Bush Administration in fiscal year 2002.

Government paperwork increased again last year. In its most recent data on paperwork burdens, the Bush Administration relies on “adjustments” to show a nominal reduction in the federal paperwork burden in fiscal year 2003. According to the General Accounting Office, however, these adjustments do not reflect actual reductions in the number of hours Americans spent on paperwork. GAO reports that “[d]uring fiscal year 2003, the total paperwork burden, exclusive of adjustments, increased again by about 72 million burden hours.”

PRESIDENT BUSH’S PROMISES TO REDUCE PAPERWORK

President George W. Bush has frequently criticized the amount of “paperwork” required by the federal government. From the very outset of his campaign for the presidency, President Bush emphasized his commitment to reduce government paperwork. In an address in Los Angeles in September 1999, for example, President Bush said:

The only thing we know for sure is that federal money comes with a lot of regulations and paperwork. By one estimate, this consumes about 50 million hours each year — the equivalent of 25,000 full-time employees just to process the forms. . . . New layers of federal mandates and procedures have been added to the old until their original purpose is long forgotten. It is a sad story of high hopes, low achievement, grand plans, and unmet goals. My administration will do things differently.¹

¹

Governor George W. Bush (R-TX) Delivers Remarks to the Latin Business Association in Los Angeles, CA., FDCH Political Transcripts (Sept. 2, 1999).

Since being elected, President Bush has continued to promise to reduce government paperwork burdens. He argues that paperwork “stifle[s] innovation and the entrepreneurial spirit,”² and he has said that “we must reduce unnecessary government regulation and red tape so businesses can focus on consumers and customers, not paperwork.”³

In a speech last December, President Bush stated:

And a lot of times government has a tendency to over-regulate, which is a non-productive cost to these small business owners who would rather be employing people and making it easier for somebody to find work, than filling out reams of paperwork that probably doesn’t get read anyway.⁴

President Bush has repeatedly stated his commitment to reducing federal paperwork requirements and he made doing so a key element of his “Six-Point Plan for the Economy.”⁵ In September 2003, President Bush stated: “We need to continue to work for regulatory relief on small and large businesses, so that instead of filing needless paperwork, you’re working to make your work force more productive and to meet the needs of your customers.”⁶ In November 2003, he stated: “We’ve got to cut useless government regulations. We need to do it at the federal level. . . . We need to make sure our entrepreneurs are focused on job creation, not filling out needless paperwork.”⁷ Last month, President Bush reiterated these points:

I bet you spend a lot of time filling out paperwork. I bet not much of your paperwork is ever read. The government needs to let you focus on your business, on developing goods and services. It needs to let you focus on hiring people, rather than spending hours filling out paperwork. In order

² *George W. Bush Delivers Remarks in a Conversation on the Economy*, FDCH Political Transcripts (Feb. 16, 2004).

³ *George W. Bush Delivers Weekly Radio Address*, FDCH Political Transcripts (Dec. 6, 2003).

⁴ *George W. Bush Delivers Remarks on the Economy*, FDCH Political Transcripts (Dec. 1, 2003).

⁵ White House, *Press Release: President Bush Outlines Six Point Plan for the Economy* (Sept. 4, 2003) (online at www.whitehouse.gov).

⁶ *George W. Bush Delivers Remarks on the Economy*, FDCH Political Transcripts (Sept. 5, 2003).

⁷ *George W. Bush Delivers Remarks on the Economy*, FDCH Political Transcripts (Nov. 3, 2003).

GOVERNMENT PAPERWORK BURDENS HAVE INCREASED SUBSTANTIALLY UNDER THE BUSH ADMINISTRATION

for us to keep jobs here at home and expand the job base, we need better regulatory policy at the federal, state, and local level.⁸

Just three weeks ago, President Bush said: “We need to stop harassing small business owners and entrepreneurs with endless amounts of regulation and paperwork.”⁹

President Bush has also touted actions he has taken to reduce paperwork. In May 2003, he highlighted the establishment of a task force on reducing paperwork:

To enhance economic security for working people throughout the economy we must reduce the burden of regulation and litigation on small businesses as well. Employers don’t want to spend their time and resources filling out forms or fighting junk lawsuits. They want to be out on the shop floor or behind the cash register creating profits and jobs. And that is why this administration has launched a task force to find ways to reduce paperwork for small-business owners in America. We must enact regulatory and lawsuit reforms so that our business owners can do what they do best: create jobs.¹⁰

In June 2003, President Bush took credit for an executive order that purported to reduce paperwork burdens, stating: “I’m concerned and mindful about what paperwork and regulations do to small businesses. So I put down an executive order that requires all federal regulatory agencies to minimize the burden on our small businesses.”¹¹

PAPERWORK INCREASES UNDER THE BUSH ADMINISTRATION

There is a large gap between President Bush’s rhetoric about the need for paperwork reduction and the performance of his Administration. According to data from the General Accounting Office and the Office of Management and Budget, the burden of government paperwork on Americans citizens has actually increased substantially under the Bush Administration. At the same time as

⁸ *George W. Bush Delivers Remarks at the Women’s Entrepreneurship in the 21st Century Forum*, FDCH Political Transcripts (Mar. 10, 2004).

⁹ *George W. Bush Delivers Remarks on the Economy*, FDCH Political Transcripts (Mar. 30, 2004).

¹⁰ *George W. Bush Signs Jobs and Growth Tax Relief Reconciliation Act of 2003*, FDCH Political Transcripts (May 28, 2003).

¹¹ *George W. Bush Delivers Remarks to New Jersey Business Community*, FDCH Political Transcripts (June 16, 2003).

President Bush has been promising to reduce paperwork burdens, Americans are actually spending more time doing paperwork than ever before.

The Requirements of the Paperwork Reduction Act

The primary tool for measuring and controlling paperwork requirements imposed by federal law and regulations is the Paperwork Reduction Act.¹² Collecting information is essential for the government to collect taxes, administer programs, and enforce laws. The Paperwork Reduction Act aims to make these information collections as efficient as possible. It requires agencies to estimate the time it will take to fill out a form or otherwise provide information to the government, obtain approvals of larger information collection requests from the Office of Management and Budget, and reduce the overall hours of paperwork by a given percent each year.

Each agency is required to submit a report each year providing the number of paperwork burden hours that agency imposed during the previous year. The annual PRA reports from each federal agency provide a picture of the total hours of paperwork required by the federal government. For the past several years, GAO has analyzed these reports each year at Congress' request. This report relies on the analyses provided by GAO, as well as data provided to Congress from the Office of Management and Budget.

Total Paperwork Burdens

The annual paperwork burden today is about 700 million burden hours higher than it was when President Bush took office. In fiscal year 2000, the annual paperwork burden imposed by the federal government was measured at about 7.4 billion hours.¹³ By the end of fiscal year 2003, the annual paperwork burden stood at 8.1 billion burden hours.¹⁴ This is an increase of nearly 10%.

There are 109 million households in the United States.¹⁵ Averaged across these households, the increase in government paperwork burdens under the Bush

¹² P.L. 104-13.

¹³ U.S. General Accounting Office, *Paperwork Reduction Act: Burden Estimates Continue to Increase* (Apr. 2001) (GAO-01-648T).

¹⁴ U.S. General Accounting Office, *Paperwork Reduction Act: Agencies' Paperwork Burden Estimates Due to Federal Actions Continue to Increase* (Apr. 2004) (GAO-04-676T).

¹⁵ U.S. Census Bureau, *Children's Living Arrangements and Characteristics: March 2002*, Table H1 (June 2003) (P20-547).

Administration amounts to over six additional hours of annual government paperwork per household.

The Internal Revenue Service (IRS) accounts for more paperwork than any other federal agency, with 81% of the total paperwork hours.¹⁶ In contrast, EPA currently accounts for only 1.8% of federal paperwork burden, and the Department of Labor, including OSHA, accounts for only 2.0% of federal paperwork burden.¹⁷

A Record Increase in Paperwork Burdens in Fiscal Year 2002

The first two years of the Bush Administration saw large increases in the number of hours of paperwork burden. In fiscal year 2001, the federal government required 7.6 billion hours of paperwork, an increase of 290 million hours from the year before.¹⁸

In fiscal year 2002, the increase in the paperwork burden was approximately 570 million hours. Almost 300 million hours of this increase was due to program changes that added new paperwork obligations.¹⁹ This was the largest increase in paperwork since the Paperwork Reduction Act was amended in 1995. The total paperwork burden for fiscal year 2002 was 8.2 billion hours.²⁰

The record rise in paperwork in 2002 stemmed from several sources, but a significant cause was the Economic Growth and Tax Relief Reconciliation Act of 2001. The amount of paperwork required by the IRS in fiscal year 2002 to implement the new law and other IRS regulations increased by 330 million hours.²¹

¹⁶ U.S. General Accounting Office, *supra* note 14.

¹⁷ *Id.*

¹⁸ U.S. General Accounting Office, *Paperwork Reduction Act: Burden Increases and Violations Persist* (Apr. 2002) (GAO-02-598T).

¹⁹ U.S. General Accounting Office, *supra* note 14.

²⁰ U.S. General Accounting Office, *Paperwork Reduction Act: Record Increase in Agencies' Burden Estimates* (Apr. 2003) (GAO-03-691T).

²¹ *Id.*

Increases in Paperwork Burdens in Fiscal Year 2003

This year, the Administration is reporting a small decline in the overall number of reported paperwork burden hours from last year's record high of 8.2 billion hours to 8.1 billion hours.²²

According to the General Accounting Office, however, "[t]his year, the story, while on the surface may appear encouraging, is not."²³ GAO's analysis reveals that the purported drop in government paperwork is entirely due to "adjustments" that "are not the result of direct federal government action but rather are caused by factors such as . . . agency reestimates of the burden associated with a collection of information."²⁴ GAO concludes that "[d]uring fiscal year 2003 the total paperwork burden, exclusive of adjustments, increased again by about 72 million burden hours."²⁵

Once again, this increase in paperwork burden is in major part attributable to changes in the tax laws that introduced new complexities. The Internal Revenue Service reports that its implementation of the Jobs and Growth Tax Relief Reconciliation Act of 2003 "generated an estimated 113.9 million additional hours of burden."²⁶

CONCLUSION

As a candidate, George Bush railed against government paperwork burdens and promised that "[m]y administration will do things differently." As President, Mr. Bush continues to urge reductions in government paperwork burdens. But in practice, the Bush Administration has actually increased paperwork burdens. Today, Americans are filling out far more paperwork under the Bush Administration than ever before.

²² U.S. General Accounting Office, *supra* note 14.

²³ *Id.* at 4.

²⁴ *Id.* at 7.

²⁵ *Id.*

²⁶ *Testimony of IRS Commissioner Mark W. Everson*, House Government Reform Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs (Apr. 20, 2004).